GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6030
ANSWERED ON:31.08.2001
MUTUAL FUND UNDER SEBI`S PURVIEW
NIVEDITA MANE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposed to bring Mutual Funds under the purview of SEBI rules;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the other steps taken by the Government for proper funding of mutual funds?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) In accordance with the provisions of the Securities and Exchange Board of India Act, 1992, mutual funds are required to be registered with SEBI. Mutual funds are regulated by SEBI under the SEBI (Mutual Fund) Regulations, 1996.

(c) Does not arise.

(d) The funds collected by mutual funds from investors are managed by Asset Management Companies (AMCs). SEBI has prescribed a minimum networth requirement of Rs. 10 crores for the AMCs. According to SEBI regulations, Trustees of mutual funds are required to monitor the activities of AMCs to ensure that these are carried out in accordance with SEBI`s regulations. SEBI also monitors compliance with the regulations through periodical reports submitted by mutual funds and through periodical inspections conducted by independent chartered accountants.